

# **EXHIBIT I**

# Government Shutdown Shakes Stability of Jobs That Are Often the Best Around

By Natalie Kitroeff and Robert Gebeloff

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Verla Bloomfield has the kind of workplace that seems plucked from a different era. She has a pension, a union, several weeks of vacation and a paycheck that has nearly doubled in 14 years. Her employer? The United States government.

“People used to work for companies their whole life and retire and take their pension and move on,” said Ms. Bloomfield, who handles claims for the Social Security Administration in Tulsa, Okla. “That’s not the reality of our work force anymore, but it still is for the federal government.”

By many measures, the last couple of decades scorched American workers. Wages crawled up, factory jobs fled to China and benefits collapsed. But those years look less painful if you worked for Uncle Sam.

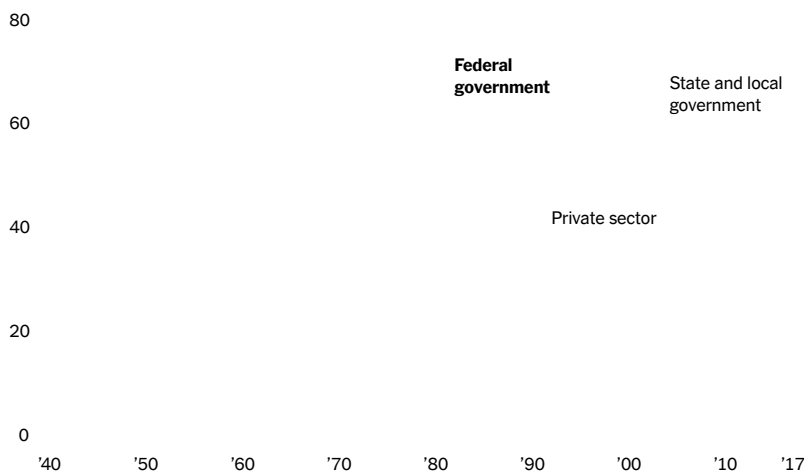
Since 2000, average pay has grown twice as fast for federal employees as it has in the private sector. That’s partly because the federal work force has become more educated and specialized. It is also built into the job. Even without the salaries that top performers can command in the corporate world, government workers who do well are entitled by law to regular pay increases, an increasingly rare guarantee elsewhere.

## Salaries for federal workers have outpaced those in the private sector

While the ranks of federal government workers have not expanded, their average salaries have increased more than those in the private sector. This is partly because the government employs many highly skilled professionals, like economic analysts and scientists.

AVERAGE YEARLY SALARY adjusted for inflation

\$ 100 thousand



By: The New York Times | Source: Bureau of Economic Analysis, Wages and Salaries Per Full-Time Equivalent Employee by Industry

“It has been a really key route to the middle class,” said Heidi Shierholz, an economist with the Economic Policy Institute in Washington. “These are jobs in a highly unionized sector, where people see decent benefits, decent job security, decent wage growth over time.”

While raises have slowed in recent years, these jobs are still often the best around. Eight in 10 are outside of the Beltway. And the paychecks — which have stopped arriving during the longest United States government shutdown ever — are increasingly critical to local economies.

That is especially true in places that are remote and have high jobless rates, like Pocahontas County, W.Va. “Natural resources abound, but job opportunities don’t,” said Cynthia Sandeno, a district ranger with the United States Forest Service, who oversees hundreds of thousands of acres of woodlands in the area.

Ms. Sandeno, 44, manages 25 wildlife ecologists, biologists, engineers and foresters who make anywhere from \$28,000 to \$100,000 a year, which puts many of them at the top of the local pay scale. Their missing checks will very likely be felt far beyond their own bank accounts.

Ms. Sandeno says that since they were furloughed, her staff members stopped eating out at the Dirtbean cafe or Rayetta’s Lunch Box in Marlinton, a town of 1,000. “They are just normal people who don’t want to file for unemployment,” she says. There aren’t a lot of alternatives in the area.

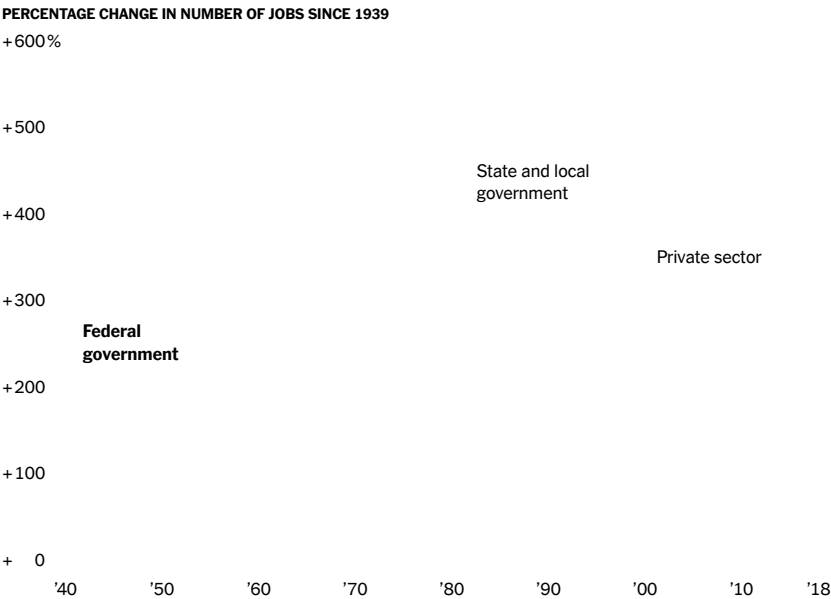
“It’s 45 miles to the closest McDonald’s,” she said. The shutdown also derailed Ms. Sandeno’s plan to make two job offers to local residents and promote one of her employees.

“Those are three families that would be getting above-average pay,” she said.

As globalization has shuttered factories and decimated entire industries, federal employment has been a bastion of stability. It has not grown, and occupies a shrinking share of the overall labor market, but it remains an equalizer for African-Americans and women, who are far more likely to earn high salaries working for the government than they would with a company.

### Federal employment has been stable for decades

Since the 1960s, the number of federal government jobs has remained relatively flat.



By: The New York Times | Source: Bureau of Labor Statistics, current employment statistics

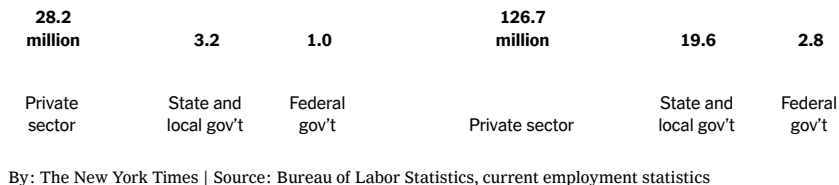
The work force includes most of the occupations found in the private sector — as varied as janitors and accountants — with salaries that span the lowest and highest ends of the economy. The ranks include Veterans Health Administration pharmacy technicians in Mississippi earning \$43,000 a year, and lawyers for the Securities and Exchange Commission in Washington pulling down \$200,000.

Federal employees on average earn higher salaries than private sector workers, partly because they are far more likely to have advanced degrees, and they’re older. The government has also outsourced many low-paying positions — landscapers and security guards, for example — to contractors, who number in the millions.

### Federal government jobs are few, compared with the private sector

The number of civilian federal government workers has always been quite small, relative to workers in the private sector and local government, and their proportion is decreasing.





Unions representing the workers point out that Congress has not lifted federal employees’ pay enough to keep up with inflation in recent years.

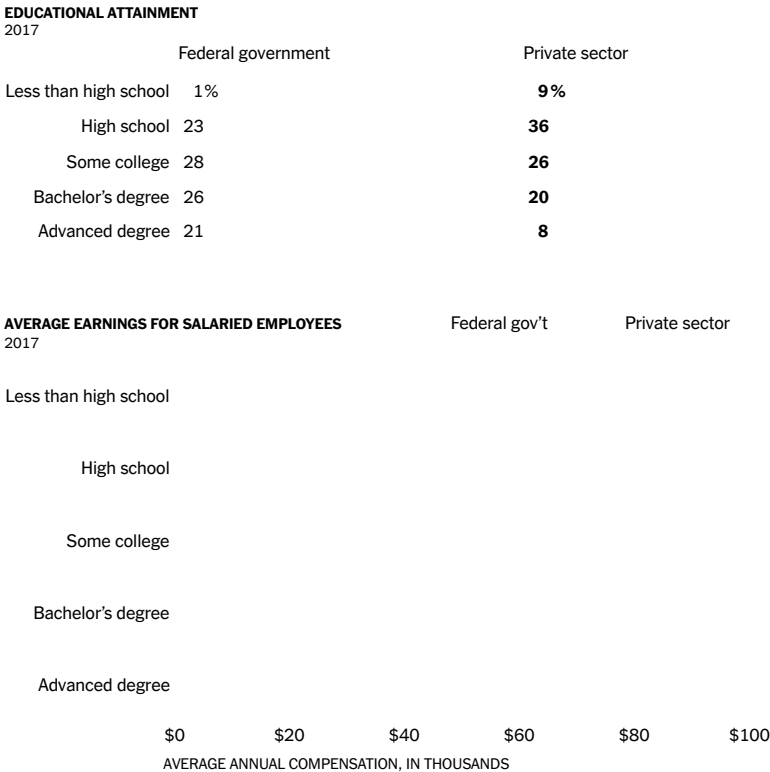
If you got an entry-level job today processing tax returns at the Internal Revenue Service in Ogden, Utah, for example, you would earn \$29,847 in salary. That’s less than you would have made in 2011, after inflation. The decline is partly because of a three-year federal salary freeze under President Barack Obama starting in 2011, followed by 1 percent raises for four years.

“People are worse off than they were at the beginning of the decade,” said Jacqueline Simon, the policy director of the American Federation of Government Employees, a union representing 700,000 workers.

But the reality is that people who have held onto their government jobs for many years have not languished in the same role at the same pay grade. They have progressed up the ladder and benefited from regular raises at least every few years. They all have pensions and almost all have health insurance, perks that are harder to come by as an employee in corporate America.

**Education plays a role in the pay disparities**

Federal workers, on the whole, tend to be more educated than those in the private sector. Comparing workers with similar educations shows that, at lower levels, federal workers are paid more than their counterparts in the private sector. At the highest levels of education, though, private-sector workers are paid more.



Note: Figures may not add to 100% because of rounding. • By: The New York Times | Source: 2017 American Community Survey, ipums.org

When Ms. Bloomfield, 55, started at the Social Security office in Tulsa in 2005, she made \$40,000. Then, over the next decade or so, she climbed four levels in the ranks of the federal work force. “Those were big pay jumps,” she said. In 2017, Ms. Bloomfield got a promotion that put her salary at \$78,000 a year, a comfortable sum in Tulsa.

Unions and conservative groups often argue whether people like Ms. Bloomfield are overpaid or undercompensated. Many of those at the high end of the scale could command even bigger salaries on Wall Street or in Silicon Valley — and estimates that break down pay by occupation have shown that the government pays less than companies do for similar work.

Ms. Bloomfield would take stability over a six-figure salary in the private sector any day. Her brother earns much more than she does in technical support in Austin, Tex. But he's had to switch employers multiple times in the last 20 years because of corporate restructuring and layoffs.

"Even though he makes a high wage, he has to live with this uncertainty," she said. "We don't have that stress."

Steve Fosse, a revenue agent with the I.R.S., isn't sure whether that trade-off is worth it anymore. The first person in his family to graduate from college, Mr. Fosse, 39, took a job with the government because it offered reliability. "I wanted the benefits and the guaranteed paychecks," he said.



Steve Fosse, a revenue agent with the Internal Revenue Service, has a salary that goes a long way in North Dakota. But without an income during the government shutdown, he is having second thoughts about the job's advantages. Dan Koeck for The New York Times

For the most part, that dream panned out. Mr. Fosse earns \$90,000 a year, a comfortable sum that helped him buy a four-bedroom home in West Fargo, N.D. He doesn't exactly indulge in luxuries — his newest car is a used Toyota Sienna that has logged 170,000 miles — but he hasn't lost much sleep over where his next few paychecks will come from. Until now.

Mr. Fosse is furloughed and has begun selling everything he can — an old television, a stationary bicycle, a snow blower — on Craigslist. He's mulling a move to a public accounting firm in Minneapolis, where his résumé could probably land him a salary above \$120,000. He'd miss his pension, and the feeling that he's doing something that, on balance, helps people.

But 14 years into his career, he's having doubts.

"It's nice to be able to serve the United States," he said, "but I don't like feeling like I am getting pushed to a bread line in order to continue doing that."